

## [COMMITTEE PRINT]

**June 6, 2000**

1 **SECTION. 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “International Counter-Money Laundering and Foreign  
4 Anticorruption Act of 2000”.

5 (b) TABLE OF CONTENTS.—The table of contents for  
6 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings and purposes.

### TITLE I—INTERNATIONAL COUNTER-MONEY LAUNDERING MEASURES

Sec. 101. Special measures for jurisdictions, financial institutions, or inter-  
national transactions of primary money laundering concern.

### TITLE II—CURRENCY TRANSACTION REPORTING AMENDMENTS AND RELATED IMPROVEMENTS

Sec. 201. Amendments relating to reporting of suspicious activities.

Sec. 202. Penalties for violations of geographic targeting orders and certain  
recordkeeping requirements, and lengthening effective period of  
geographic targeting orders.

Sec. 203. Authorization to include suspicions of illegal activity in written em-  
ployment references.

### TITLE III—ANTICORRUPTION MEASURES

Sec. 301. Corruption of foreign governments and ruling elites.

7 **SEC. 2. FINDINGS AND PURPOSES.**

8 (a) FINDINGS.—The Congress finds as follows:

9 (1) Money laundering, estimated by the Inter-  
10 national Monetary Fund to amount to between 2

1       and 5 percent of global gross domestic product  
2       which is at least \$600,000,000,000 annually, pro-  
3       vides the financial fuel that permits transnational  
4       criminal enterprises to conduct and expand their op-  
5       erations to the detriment of the safety and security  
6       of American citizens.

7               (2) Money launderers subvert legitimate finan-  
8       cial mechanisms and banking relationships by using  
9       them as protective covering for the movement of  
10      criminal proceeds and, by so doing, can undermine  
11      the integrity of our financial institutions and of the  
12      global financial and trading systems upon which our  
13      prosperity and growth depend.

14              (3) Money launderers rely upon the existence  
15      and use of certain jurisdictions outside the United  
16      States that offer bank secrecy and special tax or  
17      regulatory advantages to nonresidents, and often  
18      complement those advantages with weak financial  
19      supervisory and regulatory regimes.

20              (4) Certain kinds of transactions involving such  
21      offshore jurisdictions—for example, those trans-  
22      actions specifically designed to offer anonymity or  
23      the avoidance of regulatory scrutiny—make it dif-  
24      ficult for law enforcement officials and regulators to  
25      follow the trail of money earned by criminals and or-

1       ganized international criminal enterprises that un-  
2       dermine United States national interests and traffic  
3       in human misery, whether they are narcotics dealers,  
4       terrorists, arms smugglers, traffickers in human  
5       beings, or those whose frauds prey upon law abiding  
6       citizens.

7           (5) Certain banking relationships between fi-  
8       nancial institutions in the United States and finan-  
9       cial institutions located in such offshore jurisdic-  
10      tions, such as correspondent and payable-through  
11      accounts, are particularly vulnerable to abuse be-  
12      cause of the difficulty in obtaining accurate informa-  
13      tion about the beneficial owners whose funds pass  
14      through such accounts.

15          (6) The ability to mount effective counter-meas-  
16      ures to international money launderers requires na-  
17      tional, as well as bilateral and multilateral action,  
18      using tools specially designed for that effort.

19          (7) The Basle Committee on Banking Regula-  
20      tion and Supervisory Practices and the Financial  
21      Action Task Force on Money Laundering, both of  
22      which the United States is a member, have each  
23      adopted international anti-money laundering prin-  
24      ciples and recommendations.

1 (b) PURPOSES.—The purposes of this Act are as fol-  
2 lows:

3 (1) To ensure that banking transactions and fi-  
4 nancial relationships, the conduct of such trans-  
5 actions and relationships, or both, do not contravene  
6 the purposes of subchapter II of chapter 53 of title  
7 31, United States Code, section 21 of the Federal  
8 Deposit Insurance Act, and chapter 2 of title I of  
9 Public Law 91–508, or facilitate the evasion of any  
10 such provision, to ensure that the purposes of such  
11 subchapter II continue to be fulfilled, and to guard  
12 against international money laundering and other fi-  
13 nancial crimes.

14 (2) To provide a clear national mandate for  
15 subjecting to special scrutiny those foreign jurisdic-  
16 tions, financial institutions operating outside the  
17 United States, and classes of international trans-  
18 actions that pose particular, identifiable opportuni-  
19 ties for money laundering.

20 (3) To provide the Secretary of the Treasury  
21 with broad discretionary authority to take certain  
22 measures tailored to the particular money laun-  
23 dering problems presented by specific foreign juris-  
24 dictions, financial institutions operating outside the

1 United States, and classes of international trans-  
2 actions.

3 (4) To provide domestic financial institutions  
4 with guidance on particular foreign jurisdictions, fi-  
5 nancial institutions operating outside the United  
6 States, and classes of international transactions that  
7 are of primary money laundering concern to the  
8 United States government.

9 (5) To clarify the terms of the safe harbor from  
10 civil liability for filing suspicious activity reports.

11 (6) To strengthen the Secretary's authority to  
12 issue and administer geographic targeting orders,  
13 and to clarify that violations of such orders or any  
14 other requirement imposed under the authority con-  
15 tained in chapter 2 of title I of Public Law 91-508  
16 and subchapters II and III of chapter 53 of title 31,  
17 United States Code, may result in criminal and civil  
18 penalties.

19 (7) To strengthen the ability of financial insti-  
20 tutions to maintain the integrity of their employee  
21 population.

22 (8) To strengthen measures to prevent the use  
23 of the United States financial system for personal  
24 gain by corrupt foreign officials and to facilitate the

1       repatriation of any stolen assets to the citizens of  
2       countries to whom such assets belong.

3   **TITLE I—INTERNATIONAL COUN-**  
4       **TER—MONEY       LAUNDERING**  
5       **MEASURES**

6   **SEC. 101. SPECIAL MEASURES FOR JURISDICTIONS, FINAN-**  
7               **CIAL INSTITUTIONS, OR INTERNATIONAL**  
8               **TRANSACTIONS OF PRIMARY MONEY LAUN-**  
9               **DERING CONCERN.**

10       (a) IN GENERAL.—Subchapter II of chapter 53 of  
11 title 31, United States Code, is amended by inserting after  
12 section 5318 the following new section:

13   **“§ 5318A. Special measures for jurisdictions, financial**  
14               **institutions, or international transactions**  
15               **of primary money laundering concern**

16       “(a) INTERNATIONAL COUNTER-MONEY LAUN-  
17 DERING REQUIREMENTS.—

18               “(1) IN GENERAL.—The Secretary may require  
19 domestic financial institutions and domestic financial  
20 agencies to take 1 or more of the special measures  
21 described in subsection (b) if the Secretary finds  
22 that reasonable grounds exist for concluding that a  
23 jurisdiction outside the United States, 1 or more fi-  
24 nancial institutions operating outside the United  
25 States, or 1 or more classes of transactions within,

1 or involving, a jurisdiction outside the United States  
2 is of primary money laundering concern, in accord-  
3 ance with subsection (c).

4 “(2) FORM OF REQUIREMENT.—The special  
5 measures described in subsection (b) may be im-  
6 posed by regulation, order, or otherwise as permitted  
7 by law, and in such sequence or combination, as the  
8 Secretary shall determine.

9 “(3) PROCESS FOR SELECTING SPECIAL MEAS-  
10 URES.—

11 “(A) CONSULTATION.—In selecting which  
12 special measure or measures to take under this  
13 subsection, the Secretary shall consult with the  
14 Chairman of the Board of Governors of the  
15 Federal Reserve System and, in the Secretary’s  
16 sole discretion, such other agencies and inter-  
17 ested parties as the Secretary may find to be  
18 appropriate.

19 “(B) FACTORS.—The Secretary also shall  
20 consider—

21 “(i) whether similar action has been  
22 or is being taken by other nations or multi-  
23 lateral groups;

24 “(ii) whether the imposition of any  
25 particular special measure would create a

1           significant competitive disadvantage, in-  
2           cluding any undue cost or burden associ-  
3           ated with compliance, for financial institu-  
4           tions organized in the United States; and  
5           “(iii) the extent to which the action  
6           would have a significant adverse systemic  
7           impact on the international payment, clear-  
8           ance and settlement system, or on legiti-  
9           mate business activities involving the par-  
10          ticular jurisdiction, institution, or class of  
11          transactions.

12           “(4) NO LIMITATION ON OTHER AUTHORITY.—  
13          This section shall not be construed as superseding or  
14          otherwise restricting any other authority granted to  
15          the Secretary, or to any other agency, by this sub-  
16          chapter or otherwise.

17           “(b) SPECIAL MEASURES.—The special measures re-  
18          ferred to in subsection (a), with respect to a jurisdiction  
19          outside the United States, financial institution operating  
20          outside the United States, or class of transaction within,  
21          or involving, a jurisdiction outside the United States, are  
22          as follows:

23           “(1) RECORDKEEPING AND REPORTING OF  
24          CERTAIN FINANCIAL TRANSACTIONS.—



1           “(A) IN GENERAL.—The Secretary may re-  
2           quire any domestic financial institution or do-  
3           mestic financial agency to maintain records, file  
4           reports, or both, concerning the aggregate  
5           amount of transactions, or concerning each  
6           transaction, with respect to a jurisdiction out-  
7           side the United States, 1 or more financial in-  
8           stitutions operating outside the United States,  
9           or 1 or more classes of transactions within, or  
10          involving, a jurisdiction outside the United  
11          States, if the Secretary finds any such jurisdic-  
12          tion, institution, or class of transactions to be  
13          of primary money laundering concern.

14          “(B) FORM OF RECORDS AND REPORTS.—  
15          Such records and reports shall be made and re-  
16          tained at such time, in such manner, and for  
17          such period of time, as the Secretary shall de-  
18         termine, and shall include such information as  
19          the Secretary may determine, including—

20               “(i) the identity and address of the  
21               participants in a transaction or relation-  
22               ship, including the identity of the origi-  
23               nator of any funds transfer;

24               “(ii) the legal capacity in which a par-  
25               ticipant in any transaction is acting;

1                   “(iii) the identity of the beneficial  
2                   owner of the funds involved in any trans-  
3                   action; and

4                   “(iv) a description of any transaction.

5                   “(2) INFORMATION RELATING TO BENEFICIAL  
6                   OWNERSHIP.—In addition to any other requirement  
7                   under any other law, the Secretary may require any  
8                   domestic financial institution or domestic financial  
9                   agency to take such steps as the Secretary may de-  
10                  termine to be reasonable and practicable to obtain  
11                  and retain information concerning the beneficial  
12                  ownership of any account opened or maintained in  
13                  the United States by a foreign person (other than a  
14                  foreign entity whose shares are subject to public re-  
15                  porting requirements or are listed and traded on a  
16                  regulated exchange or trading market), or a rep-  
17                  resentative of such a foreign person, that involves a  
18                  jurisdiction outside the United States, 1 or more fi-  
19                  nancial institutions operating outside the United  
20                  States, or 1 or more classes of transactions within,  
21                  or involving, a jurisdiction outside the United States,  
22                  if the Secretary finds any such jurisdiction, institu-  
23                  tion, or transaction to be of primary money laun-  
24                  dering concern.

1           “(3) INFORMATION RELATING TO CERTAIN PAY-  
2       ABLE-THROUGH ACCOUNTS.—If the Secretary finds  
3       a jurisdiction outside the United States, 1 or more  
4       financial institutions operating outside the United  
5       States, or 1 or more classes of transactions within,  
6       or involving, a jurisdiction outside the United States  
7       to be of primary money laundering concern, the Sec-  
8       retary may require any domestic financial institution  
9       or domestic financial agency that opens or maintains  
10      a payable-through account in the United States for  
11      a foreign financial institution involving any such ju-  
12      risdiction or any such financial institution operating  
13      outside the United States, or a payable-through ac-  
14      count through which any such transaction may be  
15      conducted, as a condition of opening or maintaining  
16      such account, to—

17           “(A) identify each customer (and rep-  
18      resentative of such customer) of such financial  
19      institution who is permitted to use, or whose  
20      transactions are routed through, such payable-  
21      through account; and

22           “(B) obtain, with respect to each such cus-  
23      tomer (and each such representative), the same  
24      information that the depository institution ob-  
25      tains in the ordinary course of business with re-

1           spect to its customers residing in the United  
2           States.

3           “(4) INFORMATION RELATING TO CERTAIN COR-  
4           RESPONDENT ACCOUNTS.—If the Secretary finds a  
5           jurisdiction outside the United States, 1 or more fi-  
6           nancial institutions operating outside the United  
7           States, or 1 or more classes of transactions within,  
8           or involving, a jurisdiction outside the United States  
9           to be of primary money laundering concern, the Sec-  
10          retary may require any domestic financial institution  
11          or domestic financial agency that opens or maintains  
12          a correspondent account in the United States for a  
13          foreign financial institution involving any such juris-  
14          diction or any such financial institution operating  
15          outside the United States, or a correspondent ac-  
16          count through which any such transaction may be  
17          conducted, as a condition of opening or maintaining  
18          such account, to—

19                 “(A) identify each customer (and rep-  
20                 resentative of such customer) of any such finan-  
21                 cial institution who is permitted to use, or  
22                 whose transactions are routed through, such  
23                 correspondent account; and

24                 “(B) obtain, with respect to each such cus-  
25                 tomer (and each such representative), the same

1 information that the depository institution ob-  
2 tains in the ordinary course with respect to its  
3 customers residing in the United States.

4 “(5) PROHIBITIONS OR CONDITIONS ON OPEN-  
5 ING OR MAINTAINING CERTAIN CORRESPONDENT OR  
6 PAYABLE-THROUGH ACCOUNTS.—If the Secretary  
7 finds a jurisdiction outside the United States, 1 or  
8 more financial institutions operating outside the  
9 United States, or 1 or more classes of transactions  
10 within, or involving, a jurisdiction outside the United  
11 States to be of primary money laundering concern,  
12 the Secretary, in consultation with the Secretary of  
13 State, the Attorney General, and the Chairman of  
14 the Board of Governors of the Federal Reserve Sys-  
15 tem, may prohibit, or impose conditions upon, the  
16 opening or maintaining in the United States of a  
17 correspondent account or payable-through account  
18 by any domestic financial institution or domestic fi-  
19 nancial agency for or on behalf of a foreign banking  
20 institution if such correspondent account or payable-  
21 through account involves any such jurisdiction or in-  
22 stitution, or if any such transaction may be con-  
23 ducted through such correspondent account or pay-  
24 able-through account.

1       “(c) CONSULTATIONS AND INFORMATION TO BE  
2       CONSIDERED IN FINDING JURISDICTIONS, INSTITUTIONS,  
3       OR TRANSACTIONS TO BE OF PRIMARY MONEY LAUN-  
4       DERING CONCERN.—

5               “(1) IN GENERAL.—In making a finding that  
6       reasonable grounds exist for concluding that a juris-  
7       diction outside the United States, 1 or more finan-  
8       cial institutions operating outside the United States,  
9       or 1 or more classes of transactions within, or in-  
10      volving, a jurisdiction outside the United States is of  
11      primary money laundering concern so as to author-  
12      ize the Secretary to invoke 1 or more of the special  
13      measures of subsection (b), the Secretary shall con-  
14      sult with the Secretary of State, the Attorney Gen-  
15      eral, the Secretary of Commerce, and the United  
16      States Trade Representative.

17              “(2) INFORMATION.—The Secretary also shall  
18      consider such information as the Secretary considers  
19      to be relevant, including the following potentially rel-  
20      evant factors:

21                      “(A) In the case of a particular  
22                      jurisdiction—

23                              “(i) the extent to which that jurisdic-  
24                              tion or financial institutions operating  
25                              therein offer bank secrecy or special tax or

1 regulatory advantages to nonresidents or  
2 nondomiciliaries of such jurisdiction;

3 “(ii) the substance and quality of ad-  
4 ministration of that jurisdiction’s bank su-  
5 pervisory and counter-money laundering  
6 laws;

7 “(iii) the relationship between the vol-  
8 ume of financial transactions occurring in  
9 that jurisdiction and the size of the juris-  
10 diction’s economy;

11 “(iv) the extent to which that jurisdic-  
12 tion is characterized as a tax haven or off-  
13 shore banking or secrecy haven by credible  
14 international organizations or multilateral  
15 expert groups;

16 “(v) whether the United States has a  
17 mutual legal assistance treaty with that ju-  
18 risdiction, and the experience of United  
19 States law enforcement officials, regulatory  
20 officials, and tax administrators in obtain-  
21 ing information about transactions origi-  
22 nating in or routed through or to such ju-  
23 risdiction; and

1 “(vi) the extent to which that jurisdic-  
2 tion is characterized by high levels of offi-  
3 cial or institutional corruption.

4 “(B) In the case of a decision to apply 1  
5 or more of the special measures described in  
6 subsection (b) only to a financial institution or  
7 institutions, or to a transaction or class of  
8 transactions, or to both, within, or involving, a  
9 particular jurisdiction—

10 “(i) the extent to which such financial  
11 institutions or transactions are used to fa-  
12 cilitate or promote money laundering in or  
13 through the jurisdiction;

14 “(ii) the extent to which such institu-  
15 tions or transactions are used for legiti-  
16 mate business purposes in such jurisdic-  
17 tion; and

18 “(iii) the extent to which such action  
19 is sufficient to ensure, with respect to  
20 transactions involving such jurisdiction and  
21 institutions operating in such jurisdiction,  
22 that the purposes of this subchapter con-  
23 tinue to be fulfilled, and to guard against  
24 international money laundering and other  
25 financial crimes.



1       “(d) NOTIFICATION OF SPECIAL MEASURES IN-  
2 VOKED BY THE SECRETARY.—Within 10 days after the  
3 date of any action taken by the Secretary under subsection  
4 (a)(1), the Secretary shall notify, in writing, the Com-  
5 mittee on Banking and Financial Services of the House  
6 of Representatives and the Committee on Banking, Hous-  
7 ing, and Urban Affairs of the Senate of any such action.

8       “(e) DEFINITIONS.—Notwithstanding any other pro-  
9 vision of this subchapter, for purposes of this section, the  
10 following definitions shall apply:

11           “(1) DEFINED TERMS.—

12               “(A) BANK DEFINITIONS.—The following  
13 definitions shall apply with respect to a bank:

14                   “(i) ACCOUNT.—The term ‘account’—

15                       “(I) means a formal banking or  
16 business relationship established to  
17 provide regular services, dealings, and  
18 other financial transactions; and

19                       “(II) includes a demand deposit,  
20 savings deposit, or other transaction  
21 or asset account and a credit account  
22 or other extension of credit.

23                   “(ii) CORRESPONDENT ACCOUNT.—  
24 The term ‘correspondent account’ means  
25 an account established to receive deposits

1 from and make payments on behalf of a  
2 foreign financial institution.

3 “(iii) PAYABLE-THROUGH ACCOUNT.—

4 The term ‘payable-through account’ means  
5 an account, including a transaction ac-  
6 count (as defined in section 19(b)(1)(C) of  
7 the Federal Reserve Act), opened at a de-  
8 pository institution by a foreign financial  
9 institution by means of which the foreign  
10 financial institution permits its customers  
11 to engage, either directly or through a sub-  
12 account, in banking activities usual in con-  
13 nection with the business of banking in the  
14 United States.

15 “(B) DEFINITIONS APPLICABLE TO INSTI-  
16 TUTIONS OTHER THAN BANKS.—With respect  
17 to any financial institution other than a bank,  
18 the Secretary shall define, by regulation, order,  
19 or otherwise as permitted by law, the term ‘ac-  
20 count’ and shall include within the meaning of  
21 such term arrangements similar to payable-  
22 through and correspondent accounts.

23 “(2) OTHER TERMS.—The Secretary may, by  
24 regulation, order, or otherwise as permitted by law,  
25 further define the terms in paragraph (1) and define

1 other terms for the purposes of this section, as the  
2 Secretary deems appropriate.”.

3 (b) CLERICAL AMENDMENT.—The table of sections  
4 for subchapter II of chapter 53 of title 31, United States  
5 Code, is amended by inserting after the item relating to  
6 section 5318 the following new item:

“5318A. Special measures for jurisdictions, financial institutions, or inter-  
national transactions of primary money laundering concern.”.

7 **TITLE II—CURRENCY TRANS-**  
8 **ACTION REPORTING AMEND-**  
9 **MENTS AND RELATED IM-**  
10 **PROVEMENTS**

11 **SEC. 201. AMENDMENTS RELATING TO REPORTING OF SUS-**  
12 **PICIOUS ACTIVITIES.**

13 (a) AMENDMENT RELATING TO CIVIL LIABILITY IM-  
14 MUNITY FOR DISCLOSURES.—Section 5318(g)(3) of title  
15 31, United States Code, is amended to read as follows:

16 “(3) LIABILITY FOR DISCLOSURES.—

17 “(A) IN GENERAL.—Notwithstanding any  
18 other provision of law—

19 “(i) any financial institution that—

20 “(I) makes a voluntary disclosure  
21 of any possible violation of law or reg-  
22 ulation to a government agency; or

1                   “(II) makes a disclosure pursu-  
2                   ant to this subsection or any other au-  
3                   thority; and

4                   “(ii) any director, officer, employee, or  
5                   agent of such institution who makes, or re-  
6                   quires another to make any such disclo-  
7                   sure,

8                   shall not be liable to any person under any law  
9                   or regulation of the United States, any con-  
10                  stitution, law, or regulation of any State or po-  
11                  litical subdivision of any State, or under any  
12                  contract or other legally enforceable agreement  
13                  (including any arbitration agreement), for such  
14                  disclosure or for any failure to notify the person  
15                  who is the subject of such disclosure or any  
16                  other person identified in the disclosure.

17                  “(B) RULE OF CONSTRUCTION.—Subpara-  
18                  graph (A) shall not be construed as creating—

19                       “(i) any inference that the term ‘per-  
20                       son’, as used in such subparagraph, may  
21                       be construed more broadly than its ordi-  
22                       nary usage so to include any government  
23                       or agency of government; or

24                       “(ii) any immunity against, or other-  
25                       wise affecting, any civil or criminal action

1 brought by any government or agency of  
2 government to enforce any constitution,  
3 law, or regulation of such government or  
4 agency.”.

5 (b) PROHIBITION ON NOTIFICATION OF DISCLO-  
6 SURES.—Section 5318(g)(2) of title 31, United States  
7 Code, is amended to read as follows:

8 “(2) NOTIFICATION PROHIBITED.—

9 “(A) IN GENERAL.—If a financial institu-  
10 tion or any director, officer, employee, or agent  
11 of any financial institution, voluntarily or pur-  
12 suant to this section or any other authority, re-  
13 ports a suspicious transaction to a government  
14 agency—

15 “(i) the financial institution, director,  
16 officer, employee, or agent may not notify  
17 any person involved in the transaction that  
18 the transaction has been reported; and

19 “(ii) no officer or employee of the  
20 Federal Government or of any state, local,  
21 tribal, or territorial government within the  
22 United States, who has any knowledge that  
23 such report was made may disclose to any  
24 person involved in the transaction that the  
25 transaction has been reported other than

1 as necessary to fulfill any such person's of-  
2 ficial duties.

3 “(B) DISCLOSURES IN CERTAIN EMPLOY-  
4 MENT REFERENCES.—Notwithstanding the ap-  
5 plication of subparagraph (A) in any other con-  
6 text, subparagraph (A) shall not be construed  
7 as prohibiting any financial institution, or any  
8 director, officer, employee, or agent of such in-  
9 stitution, from including, in a written employ-  
10 ment reference that is provided in accordance  
11 with section 18(v) of the Federal Deposit Insur-  
12 ance Act in response to a request from another  
13 financial institution or a written termination  
14 notice or employment reference that is provided  
15 in accordance with the rules of the self-regu-  
16 latory organizations registered with the Securi-  
17 ties and Exchange Commission, information  
18 that was included in a report to which subpara-  
19 graph (A) applies, but such written employment  
20 reference may not disclose that such informa-  
21 tion was also included in any such report or  
22 that such report was made.”.

1   **SEC. 202. PENALTIES FOR VIOLATIONS OF GEOGRAPHIC**  
2                   **TARGETING ORDERS AND CERTAIN RECORD-**  
3                   **KEEPING REQUIREMENTS, AND LENGTH-**  
4                   **ENING EFFECTIVE PERIOD OF GEOGRAPHIC**  
5                   **TARGETING ORDERS.**

6           (a) CIVIL PENALTY FOR VIOLATION OF TARGETING  
7 ORDER.—Section 5321(a)(1) of title 31, United States  
8 Code, is amended—

9               (1) by inserting “or order issued” after “sub-  
10 chapter or a regulation prescribed”; and

11              (2) by inserting “, or willfully violating a regu-  
12 lation prescribed under section 21 of the Federal  
13 Deposit Insurance Act or section 123 of Public Law  
14 91–508,” after “section 5314 and 5315”).

15           (b) CRIMINAL PENALTIES FOR VIOLATION OF TAR-  
16 GETING ORDER.—Section 5322 of title 31, United States  
17 Code, is amended—

18               (1) in subsection (a)—

19                   (A) by inserting “or order issued” after  
20 “willfully violating this subchapter or a regula-  
21 tion prescribed”; and

22                   (B) by inserting “, or willfully violating a  
23 regulation prescribed under section 21 of the  
24 Federal Deposit Insurance Act or section 123  
25 of Public Law 91–508,” after “under section  
26 5315 or 5324),”;

1 (2) in subsection (b)—

2 (A) by inserting “or order issued” after  
3 “willfully violating this subchapter or a regula-  
4 tion prescribed”; and

5 (B) by inserting “or willfully violating a  
6 regulation prescribed under section 21 of the  
7 Federal Deposit Insurance Act or section 123  
8 of Public Law 91–508,” after “under section  
9 5315 or 5324),”.

10 (c) STRUCTURING TRANSACTIONS TO EVADE TAR-  
11 GETING ORDER OR CERTAIN RECORDKEEPING REQUIRE-  
12 MENTS.—Section 5324(a) of title 31, United States Code,  
13 is amended—

14 (1) by inserting a comma after “shall”;

15 (2) by striking “section—” and inserting “sec-  
16 tion, the reporting or recordkeeping requirements  
17 imposed by any order issued under section 5326, or  
18 the recordkeeping requirements imposed by any reg-  
19 ulation prescribed under section 21 of the Federal  
20 Deposit Insurance Act or section 123 of Public Law  
21 91–508—”;

22 (3) in paragraph (1) by inserting “, to file a re-  
23 port or to maintain a record required by an order  
24 issued under section 5326, or to maintain a record  
25 required pursuant to any regulation prescribed



1 under section 21 of the Federal Deposit Insurance  
2 Act or section 123 of Public Law 91–508” after  
3 “regulation prescribed under any such section”; and  
4 (4) in paragraph (2) by inserting “, to file a re-  
5 port or to maintain a record required by any order  
6 issued under section 5326, or to maintain a record  
7 required pursuant to any regulation prescribed  
8 under section 5326, or to maintain a record required  
9 pursuant to any regulation prescribed under section  
10 21 of the Federal Deposit Insurance Act or section  
11 123 of Public Law 91–508,” after “regulation pre-  
12 scribed under any such section”.

13 (d) LENGTHENING EFFECTIVE PERIOD OF GEO-  
14 GRAPHIC TARGETING ORDERS.—Section 5326(d) of title  
15 31, United States Code, is amended by striking “60” after  
16 “shall be effective for more than” and inserting “180”.

17 **SEC. 203. AUTHORIZATION TO INCLUDE SUSPICIONS OF IL-**  
18 **LEGAL ACTIVITY IN WRITTEN EMPLOYMENT**  
19 **REFERENCES.**

20 Section 18 of the Federal Deposit Insurance Act (12  
21 U.S.C. 1828) is amended by adding at the end the fol-  
22 lowing new paragraph:

23 “(v) WRITTEN EMPLOYMENT REFERENCES MAY  
24 CONTAIN SUSPICIONS OF INVOLVEMENT IN ILLEGAL AC-  
25 TIVITY.—

1           “(1) IN GENERAL.—Notwithstanding any other  
2           provision of law, any insured depository institution,  
3           and any director, officer, employee, or agent of such  
4           institution, may disclose in any written employment  
5           reference relating to a current or former institution-  
6           affiliated party of such institution which is provided  
7           to another insured depository institution in response  
8           to a request from such other institution, information  
9           concerning the possible involvement of such institu-  
10          tion-affiliated party in potentially unlawful activity.”

11       **TITLE III—ANTICORRUPTION**  
12       **MEASURES**

13       **SEC. 301. CORRUPTION OF FOREIGN GOVERNMENTS AND**  
14       **RULING ELITES.**

15       (a) SENSE OF THE CONGRESS.—It is the sense of the  
16       Congress that, in deliberations between the United States  
17       Government and any other country on money laundering  
18       and corruption issues, the United States Government  
19       should—

20           (1) emphasize an approach that addresses not  
21           only the laundering of the proceeds of traditional  
22           criminal activity but also the increasingly endemic  
23           problem of governmental corruption and the corrup-  
24           tion of ruling elites;

1           (2) encourage the enactment and enforcement  
2           of laws in such country to prevent money laundering  
3           and systemic corruption;

4           (3) make clear that the United States will take  
5           all steps necessary to identify the proceeds of foreign  
6           government corruption which have been deposited in  
7           United States financial institutions and return such  
8           proceeds to the citizens of the country to whom such  
9           assets belong; and

10          (4) advance policies and measures to promote  
11          good government and to prevent and reduce corrup-  
12          tion and money laundering, including through in-  
13          structions to the United States Executive Director of  
14          each international financial institution (as defined in  
15          section 1701(c) of the International Financial Insti-  
16          tutions Act) to advocate such policies as a system-  
17          atic element of economic reform programs and ad-  
18          vice to member governments.

19          (b) GUIDANCE TO FINANCIAL INSTITUTIONS OPER-  
20          ATING IN THE UNITED STATES ON TRANSACTIONS BY OR  
21          ON BEHALF OF CORRUPT FOREIGN OFFICIALS.—The  
22          Secretary of the Treasury, in consultation with the Attor-  
23          ney General of the United States and the Federal func-  
24          tional regulators (as defined in section 509(2) of the  
25          Gramm-Leach-Bliley Act), shall, before the end of the

1 180-day period beginning on the date of the enactment  
2 of this Act, issue guidance to financial institutions oper-  
3 ating in the United States on appropriate practices and  
4 procedures to reduce the risk that such institutions may  
5 become depositories for, or transmitters of, the proceeds  
6 of corruption by or on behalf of senior foreign officials  
7 and their close associates.